

THE STATE OF CALIFORNIA 1915(b) PROGRAM

Project Name:	Partnership HealthPlan of California (PHC)
Initial Proposal Approval:	May 01, 1994
Previous Renewal Approval:	February 11, 2001
Previous Renewal Expiration:	February 10, 2003
Renewal Effective Date:	February 11, 2003
Renewal Expiration Date:	February 10, 2005

PROGRAM SUMMARY:

The State of California submitted a proposal under Section 1915(b) of the Social Security Act (the Act) authority to allow under the County Organized Health System (COHS) model, a local agency with representation from providers, beneficiaries, local county government, and other interested parties, to contract with the Medi-Cal program. Operating under federal Medicaid freedom of choice and other waivers, the COHS administers a capitated, comprehensive, case managed health care delivery system.

The Partnership HealthPlan of California (PHC) began operations on May 1, 1994 as the County Organized Health System (COHS) for Solano County's 45,000 Medi-Cal beneficiaries. The PHC began discussions with the Napa Health Access Task Force in 1995 and later that year, began work on changing federal legislation to allow an expansion into Napa County. In October 1996, PHC expanded to Napa County, enrolling nearly 9,000 beneficiaries in March 1998. In its recent renewal package, California has requested that PHC expand into Marin County. The approval of the expansion is contingent upon CMS completing a satisfactory readiness review.

The Board of Supervisors for Solano and Napa counties ordinance establishes the Commission under the statutory authority of the California Welfare & Institutions Code, and enables the formation of the Commission for the purpose of negotiating an exclusive contract with the California Medical Assistance Commission (CMAC), to be entered into by the State Department of Health Services (DHS) and the Commission. The exclusive contract allows the Commission to arrange for the health care services of both Solano's and Napa's resident Medi-Cal population. The Commission is the governing agency for PHC and PHC is the "contractor" under the program.

The Commission provides policy and governance for operations in Solano and Napa counties, and oversees the performance of PHC's management team in reaching goals and objectives. The State DHS is responsible for the oversight of PHC, including medical and financial audits.

HEALTH CARE DELIVERY:

PHC operates as a PCP case management model where the member's PCP provides prevention, early disease detection, and primary care services. The PCP guides the member through the medical care system by authorizing necessary specialty care referrals, and coordinating medical resources to meet the member's needs. The success of the system is dependent upon members accessing all needed medical services (with the exception of emergency, family planning, sensitive and obstetrical services) through their PCP case manager. The member's PCP becomes the facilitator who ensures access to needed care.

PHC contracts with a broad spectrum of local providers, including safety net providers, in financial incentives for improved access and effective case management. PHC uses a shared risk model, that links PCPs, specialists, hospitals and PHC in shared incentives, and encourages integrated care delivery. PHC's intention is to capitate PCPs for office services and establish budgets for inpatient and outpatient referral costs for each of the PCP's linked members. PCPs, hospitals and specialty care physicians are able to share with PHC in any surplus that results from health prevention and promotion and disease management of chronic illness.

BENEFIT PACKAGE:

Under its contractual arrangement with the State, PHC agrees to assure that the basic scope of health care services provided under the FFS program are available to its members. PHC excludes certain benefit services from its program through its negotiated agreement with the State. Contractually excluded services which are Medi-Cal benefits are available to PHC members through the regular Medi-Cal FFS. Members will be informed either through the PHC member newsletter and/or through an appointed liaison as to how to access or coordinate excluded services. PHC has additional benefits, such as health education services, an expanded drug formulary, nutritional services and a comprehensive outpatient substance abuse program.

EXCLUDED SERVICES:

Childhood lead poisoning case management
Cosmetic and elective procedures
Dental services
In-Home and Community Based Waiver services
Multi-purpose Senior Services Program (MSSP)
Inpatient and Outpatient Mental Health Services (Napa County only)
Mental Health Pharmaceuticals (Solano County)
Adult Day Health Care Services
Alcohol and Drug Treatment
Targeted Case Management

LOCK-IN PROVISION:

Not applicable

ENROLLMENT BROKER:

Beneficiaries are automatically covered by PHC when they are determined to be eligible for Medi-Cal benefits in Solano or Napa counties, and have a program aid code covered by PHC. Coverage is discontinued only when an individual: is no longer a resident of Solano or Napa counties; is no longer Medi-Cal eligible; or changes to a non-covered program aid code.

COST EFFECTIVENESS/FINANCIAL INFORMATION:

California has demonstrated a savings of about \$70 million over the two-year waiver period. The State demonstrated cost-effectiveness in the following manner: The State's actual fee-for-service (FFS) paid claims under the waiver, which were paid based on population, inflation/utilization, pricing, programmatic/policy changes, administrative costs and carved-out services, were totaled to document costs under the waiver. Those same FFS paid claims were then repriced using the payment rates that would have been in effect if the waiver were not implemented in order to determine what costs would have been without the waiver. To determine savings, total costs under the waiver were compared to total costs that would have been incurred in the absence of the waiver. California expects a result of about \$58 million in total savings for the two-year waiver renewal period.

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